

Atlas Minerals

Division of Atlas Corporation

P.O. Box 1207 Moab, Utah 84532
(801)259-5131

ACT/037/002

January 3, 1983

Thomas N. Tetting
Division of Oil, Gas and Mining
4241 State Office Building
Salt Lake City, Utah 84114

Re: Reclamation Cost Estimates

Dear Mr. Tetting:

Enclosed are revised reclamation cost estimates on each of Atlas' twenty-one mines in Utah for which permit applications have been submitted. Although you have only requested these estimates for fifteen of Atlas' mines, we are submitting them for all of Atlas' mines in an attempt to keep all of the cost-estimates consistent and bring them all up to date.

As we discussed in our telephone conversation on December 15, 1982, we are submitting these revised estimates on the Division's "old" Bond Estimate forms only, as we believe the "new" forms are duplicative and unnecessary. In Atlas' opinion, all of the necessary information is contained on these "old" forms and shown more concisely than could be achieved using the "new" forms.

Please note that no deductions have been made from these estimates for the salvage value of on-site equipment. If the total salvage value of all Atlas' mining equipment was subtracted from the total of these reclamation cost-estimates, the result would probably be a negative number. Since the form of Atlas' surety is to be a Performance Contract, we don't feel it is necessary to include a salvage value deduction on these estimates at this time.

RECEIVED
JAN 16 1983

DIVISION OF
OIL, GAS & MINING

Thomas N. Tetting
Reclamation Cost Estimates

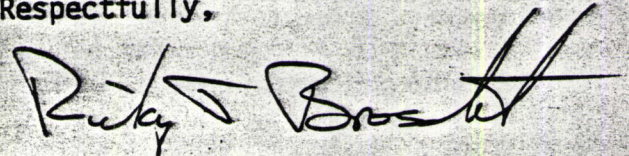
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January 3, 1983

In your letter of December 17, 1982 you state that the Division's estimate for plugging a borehole is \$3,000 each. Atlas disagrees with this estimate and you will note that we have used a figure of \$1,000 each in the enclosed cost-estimates. The contingency costs should cover any discrepancy..

As estimated on the enclosed forms, the total cost to reclaim all of Atlas' twenty-one mines is \$934,882. These mines disturb a total of 326.1 acres, consequently, we have estimated an average reclamation cost of \$2,867 per acre. In Atlas' opinion, this is a realistic and reasonable average cost /acre figure for this industry.

The information you've requested on the remaining mine reviews and reclamation commitment will be forthcoming. Please contact me with any questions you may have.

Respectfully,



Ricky J. Broschat

CC: R. Blubaugh

RJB/rm

ACT/037/051

MINED LANDS SURETY CONTRACT

THIS CONTRACT, made and entered into as of the 27th day of January, 1983, between Atlas Corporation, a Delaware corporation (hereinafter called the "Operator"), and the Board of Oil, Gas, and Mining, duly authorized and existing by virtue of the laws of the State of Utah (hereinafter called the "Board").

W I T N E S S E T H:

WHEREAS, the Operator is the owner or lessee and is in possession of certain mines and associated workings in the State of Utah (hereinafter called the "Mines"), which are more particularly described on Exhibit "A", attached hereto and by this reference made a part hereof; and

WHEREAS, the operator has filed Notices of Intention to Commence Mining Operations and Mining and Reclamation Plans for the Mines; and

WHEREAS, certain of the aforesaid Notices and Plans have been approved by the Board as shown on Exhibit "B" attached hereto and by this reference made a part hereof; and

WHEREAS, the Operator is able and willing to conduct reclamation operations at the Mines in accordance with the

requirements specified in the aforesaid Notices and Plans, the Mined Land Reclamation Act, and the rules and regulations adopted in connection therewith; and

WHEREAS, the Board has considered the factual information and recommendations provided by the staff of the Division of Oil, Gas, and Mining as to the magnitude, type and costs of the approved reclamation activities planned for the Mines; and

WHEREAS, the Board is cognizant of the nature, extent, duration of the operations at the mines, the Operator's financial status, and the Operator's ability to carry out the planned work.

NOW, THEREFORE, in consideration of the promises and covenants herein contained the Operator and the Board hereby agree as follows:

1. The Operator agrees to reclaim the land affected by mining activities at the Mines in accordance with the Operator's approved Mining and Reclamation Plans and any future amendments or additions thereto, the Mined Land Reclamation Act, and the Regulations adopted under said Act.

2. The Operator and the Board agree that, except as specifically provided herein, reclamation of the land affected by mining activities at the Mines shall be governed only by the Operator's approved Mining and Reclamation Plans and any future

amendments or additions thereto as approved by the Board or Division, along with applicable laws and regulations.

3. The Operator shall be an independent contractor and as such shall have no authorization to bind the State of Utah or the Board to any agreement except as herein set forth.

4. The Operator agrees to hold harmless the State of Utah, the Board, and the Division of Oil, Gas, and Mining from claims for personal injury or death, damages to personal property and liens of workmen and materialmen, howsoever caused, in performance of this contract.

5. In lieu of accepting a bond or cash surety, the Board agrees to accept the Operator's personal guarantee as set forth in this contract, to reclaim the land affected by the Mines in accordance with the Operator's Mining and Reclamation Plans listed in Exhibit "B" and any future amendments or additions thereto, as approved by the Board.

6. The reclamation obligation for which this contract is a personal guaranty shall be released by the Board as to each of the Mines upon the completion of reclamation as specified in the state statute, regulations, and approved Mining and Reclamation Plan applicable to such mine. Any determination by the Division that the Operator has not complied with an applicable statute, regulation or approved

Mining and Reclamation Plan requirement may be reviewed by the Board upon request of the Operator after notice and hearing.

7. This Contract shall fulfill the Operator's obligations under Section 40-8-14, Utah Code Annotated, and Rule M-5 of the Board's Regulations.

8. If the Operator does not comply with its obligations under this Contract as to any of the Mines, the Board shall give to the Operator a notice of noncompliance and shall initiate proceedings to revoke the approval of the Notice of Intention to Commence Mining Operations relating to the mine which is not in compliance with this Contract. Such proceedings shall be governed by applicable law.

9. If the Mined Land Reclamation Act, the regulations adopted thereunder, or any other statute or regulation, are amended to remove the legal requirement serving as the basis for any provision of this Contract, the Operator will no longer be required to comply with such provision of the Contract. Nothing herein, however, shall be deemed to relieve the Operator from compliance with applicable laws and regulations relating to reclamation of land affected by the operations of any of the mines notwithstanding any provisions of this Contract.

10. This contract shall apply to those mines listed on Exhibit "B" and will apply each of the other Mines as the

applicable Mining and Reclamation Plan for that mine is approved by the Board.

11. This Contract shall supersede all individual surety contracts currently in force between Atlas and the Board, unless Atlas requests and the Division or Board, as appropriate, approves the continuation in force of any such contract.

IN WITNESS WHEREOF, the parties hereto have respectively set their hands and seals this ____ day of _____, 19__.

ATTEST:

Cheryl J. Yura
Assistant Secretary

SEAL

ATLAS CORPORATION

Edward R. Farley
President

BOARD OF OIL, GAS, AND MINING

Lois B. Henderson

John C. Hays

Frederic L. Hays

Richard B. [Signature]

L. Starks McIntire

Dianne P. [Signature]

[Signature]

STATE OF UTAH)
 : ss.
COUNTY OF)

On the ____ day of _____, 19__, personally
appeared before me _____ Edward R. Farley, Jr. who,
being by me duly sworn, did say that he is the _____ President
_____ of Atlas Corporation, a corporation, and
that the foregoing instrument was signed on behalf of said cor-
poration by authority of its Bylaws or a resolution of its Board
of Directors, and said _____ Edward R. Farley, Jr. acknowl-
edged to me that said corporation executed the same.

[Signature]
NOTARY PUBLIC
Residing at: Provo, Juv. N.J.

My Commission Expires:

May 21, 1985

_____, acting as Secretary of the Board of Oil, Gas, and Mining of the State of Utah, hereby certifies that the foregoing Surety Agreement was approved by the Board on the 27th day of January, 1983, in Cause Nos. ACT/019/007, ACT/019/009, ACT/015/011, ACT/015/013, ACT/015/014, ACT/037/003, ACT/037/005, ACT/037/006, ACT/037/007, ACT/037/008, ACT/037/010, ACT/037/011, ACT/037/012, ACT/037/013, ACT/037/017, ACT/037/019, ACT/037/021, ACT/037/023, ACT/037/024, ACT/037/034, ACT/037/040.

EXHIBIT A

1. Mines operated by Atlas:

Calliham/Sage

Dunn

Far West

Four Corners

Pandora

Patti Ann

Probe

Rim Columbus

Snow

Standard I

Velvet

Wood Lease

2. Mines owned or leased by Atlas but operated by someone other than Atlas:

Cactus Rat

Cane Creek

Happy Jack

Ivy

Locust Spider

Louise

Radium King

Standard II

Windfall

EXHIBIT B

Mines subject to approved notices of intent:

Dunn	11/7/77
Ivy	2/3/79
Locust Spider	4/20/77
Louise	9/28/78
Pandora	4/20/77
Patti Ann	9/24/76
Probe	4/13/77
Radium King	3/22/77
Rim Columbus	3/22/77
Standard II	10/27/78
Velvet	11/29/79
Windfall	4/20/77